PERMIT APPLICATION: NRS 03.055

APPLICANT: Alcoa Power Generating Inc., Tapoco Division

300 North Hall Road

Alcoa, Tennessee 37701-2516

(865) 594-4833

LOCATION: Little Tennessee River mile 33 to the Tennessee – North Carolina state line,

approximately 15 miles south of Maryville, Blount County

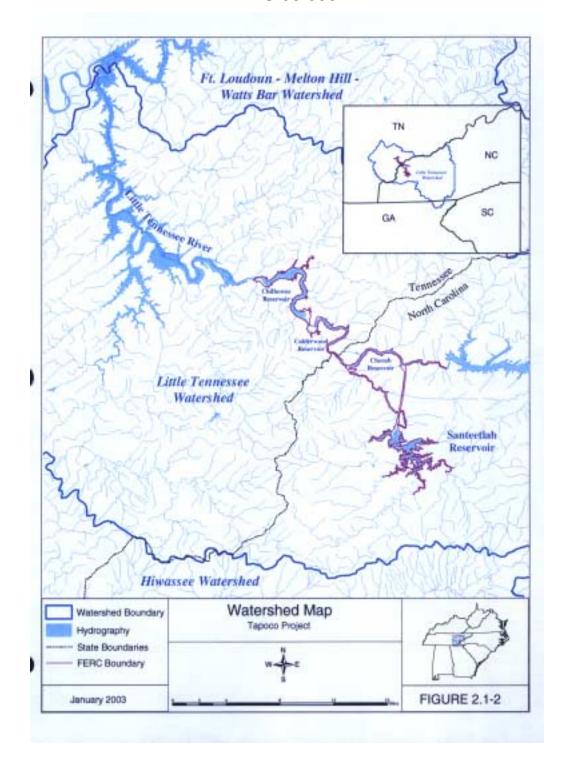
WATERSHED DESCRIPTION: The Little Tennessee River watershed including and upstream of the Tapoco project comprises 1,987 square miles. The watershed is mostly mountainous and forested with small communities and a large amount of the land base in public ownership. Chemical water quality is generally good, but this segment of the Little Tennessee River has impacts from hydrologic modifications. There are six major reservoirs within the project watershed that significantly alter flows and water temperatures. The impoundments have resulted in direct loss of riverine habitat and additionally affected aquatic life through habitat fragmentation. A 1.1 mile segment of the river below Calderwiood dam known as the Calderwood bypass is classified by the Division of Water Pollution Control as only partially supporting classified uses as a result of flow diversion for the generation of electricity.

PROJECT DESCRIPTION: The proposed activity subject to permitting is the relicensing of Alcoa Power Generating Incorporated's (APGI) Tapoco Project by the Federal Energy Regulatory Commission (FERC). The FERC relicensing requires the state to certify that the continued operation of the Tapoco Project will not cause violations of Tennessee water quality standards. The Tapoco Project consists of four impoundments and associated power generation and transmission facilities. Two of the impoundments (Chilhowee Reservoir and Calderwood Reservoir) are in Tennessee, and two (Cheowah Reservoir and Santeelah Reservoir) are upstream in North Carolina. To mitigate for ongoing damages to water resources resulting from continued operation of the project, the applicant proposes to restore some flow to the Calderwood bypass. Flows would vary seasonally, with highs of 90 cubic feet per second (CFS) in winter months and low flows of 25-30 CFS in late summer and fall. A natural resource management fund of \$50,000 per year for the life of the FERC license will be established in part for the management of aquatic organisms adversely affected by the project. A permanent conservation easement will be placed on a 200 foot riparian buffer strip on project lands totaling 188 acres and on 5,718 acres of land within the project watershed in Tennessee. Additionally, a term easement for the duration of the FERC license period will be placed on another 4119 acres of land within the watershed.

PERMIT COORDINATOR: Dan Eagar

USGS TOPOGRAPHIC QUADRANGLES: Tallassee, Calderwood, and Tapoco

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